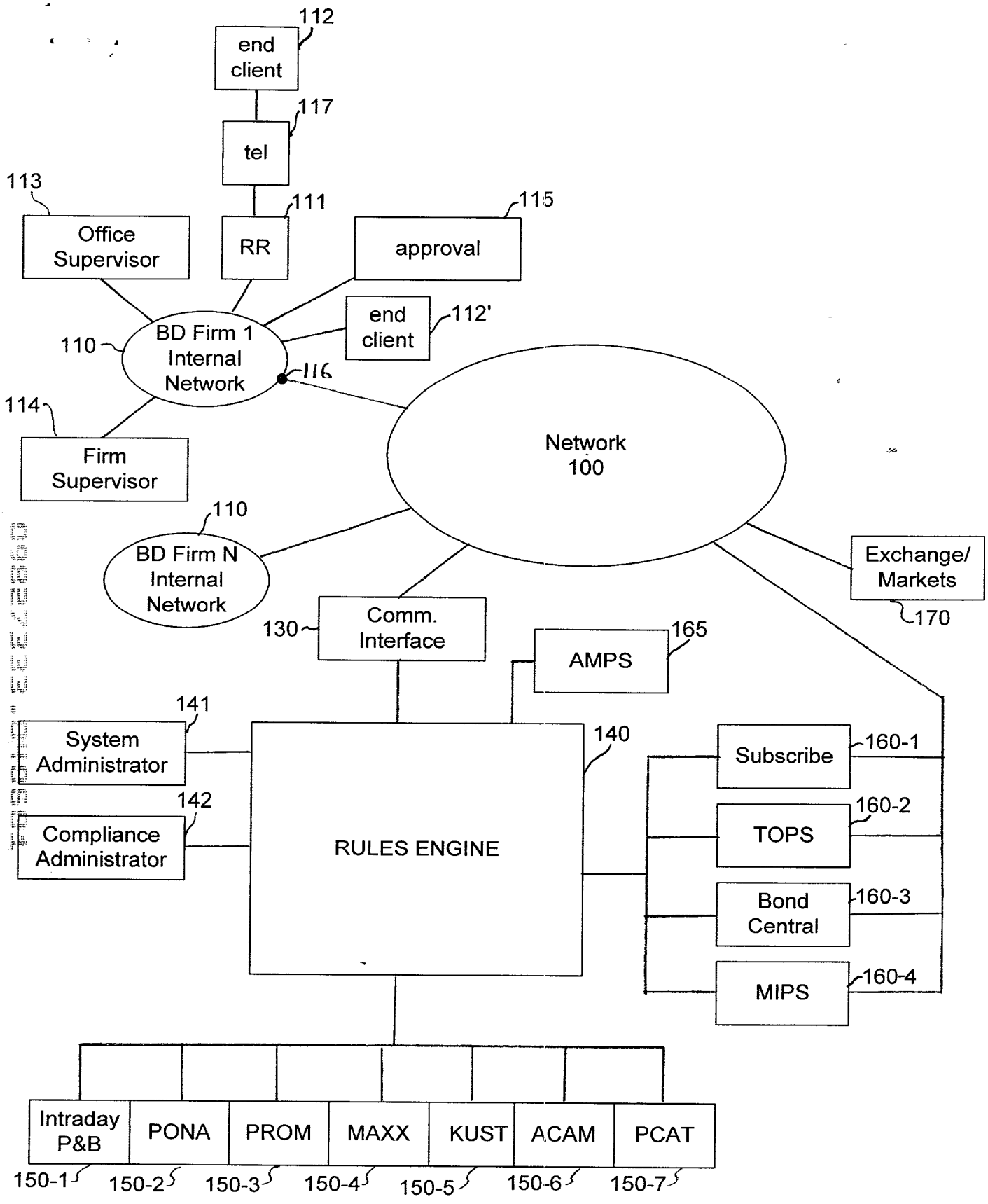
112
end client
117
tel
113
Office Supervisor
111
RR
115
approval
end client
112'
110
BD Firm 1 Internal Network
116
114
Firm Supervisor
Network 100
110
BD Firm N Internal Network
Exchange/ Markets
170
130
Comm. Interface
165
AMPS
141
System Administrator
140
142
Compliance Administrator
RULES ENGINE
Subscribe
160-1
TOPS
160-2
Bond Central
160-3
MIPS
160-4
Intraday P&B
PONA
PROM
MAXX
KUST
ACAM
PCAT
150-1
150-2
150-3
150-4
150-5
150-6
150-7

Figure 1

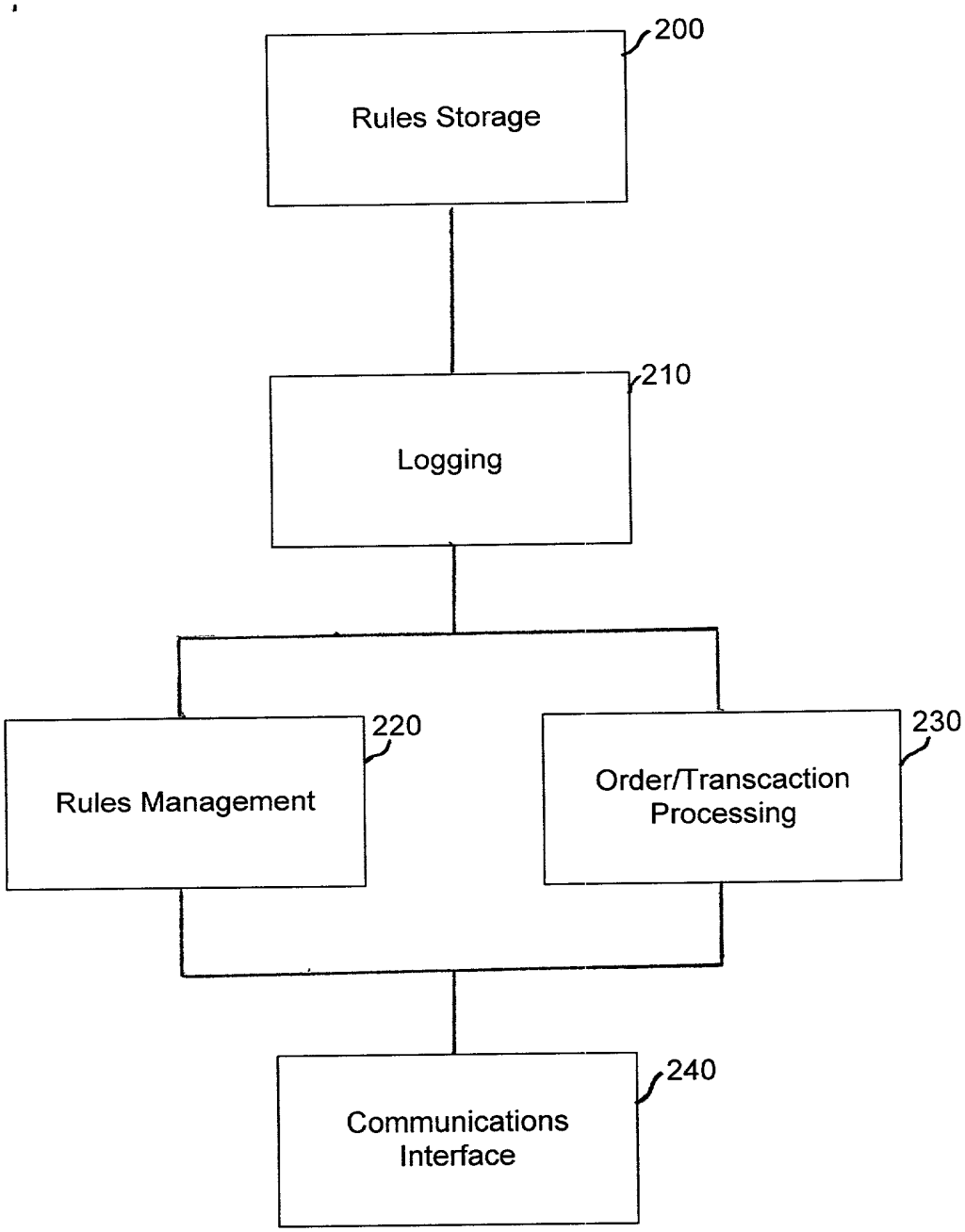
200
Rules Storage
210
Logging
220
Rules Management
230
Order/Transcaction Processing
240
Communications Interface

Figure 2

Example:

Number	Type	Possible Level(s)	Possible Outcome(s)
1011	Mandatory	Firm	Stop

This rule stops an order for an account that is closed.

Figure 3A

Example:

Number	Type	Possible Level(s)	Possible Outcome(s)
1141	Optional	Firm	Stop
		Office	Approval
		Investment Professional	Warning
		Account	Acceptance

This rule indicates that an order has been placed which exceeds a credit limit parameter

Figure 3B

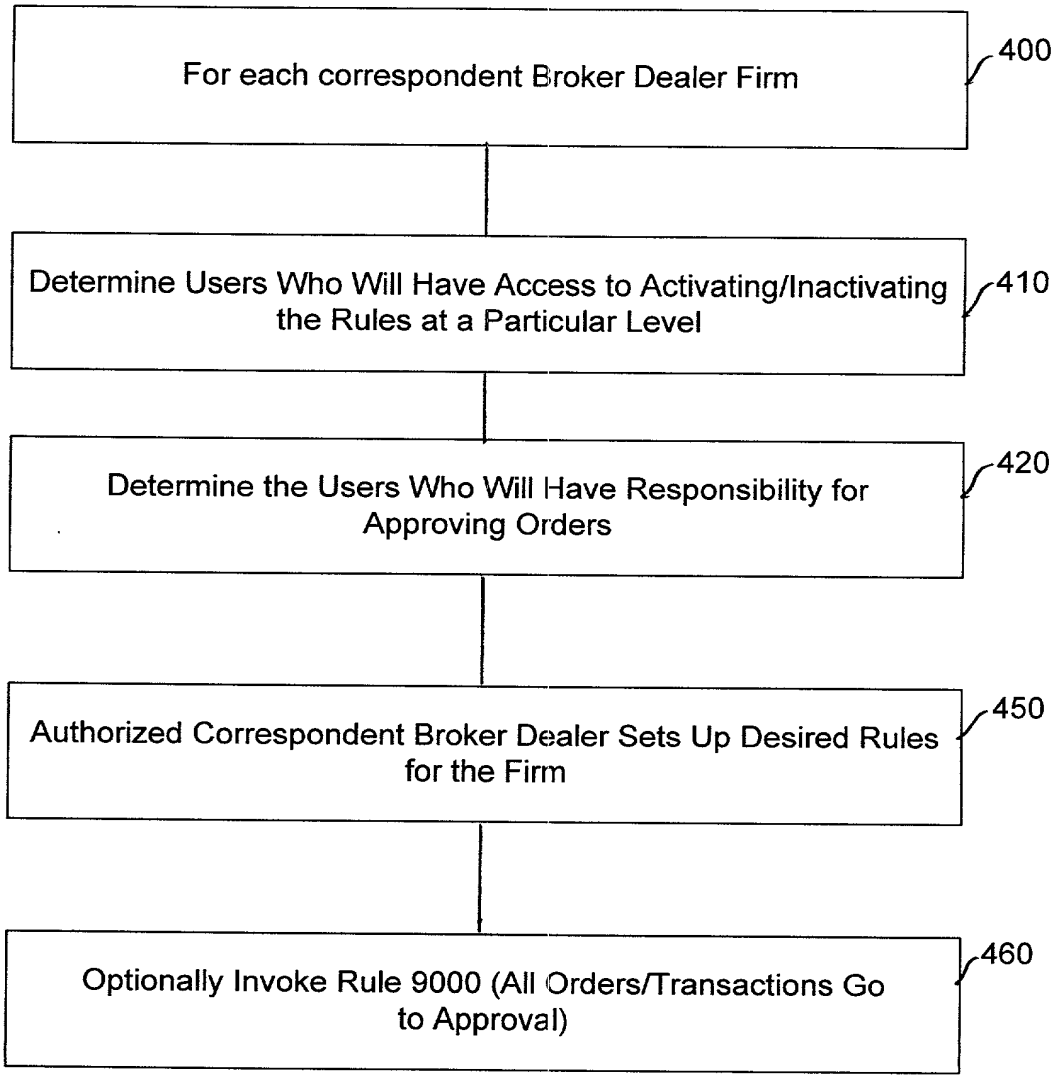
For each correspondent Broker Dealer Firm
400
Determine Users Who Will Have Access to Activating/Inactivating the Rules at a Particular Level
410
Determine the Users Who Will Have Responsibility for Approving Orders
420
Authorized Correspondent Broker Dealer Sets Up Desired Rules for the Firm
450
Optionally Invoke Rule 9000 (All Orders/Transactions Go to Approval)
460

Figure 4

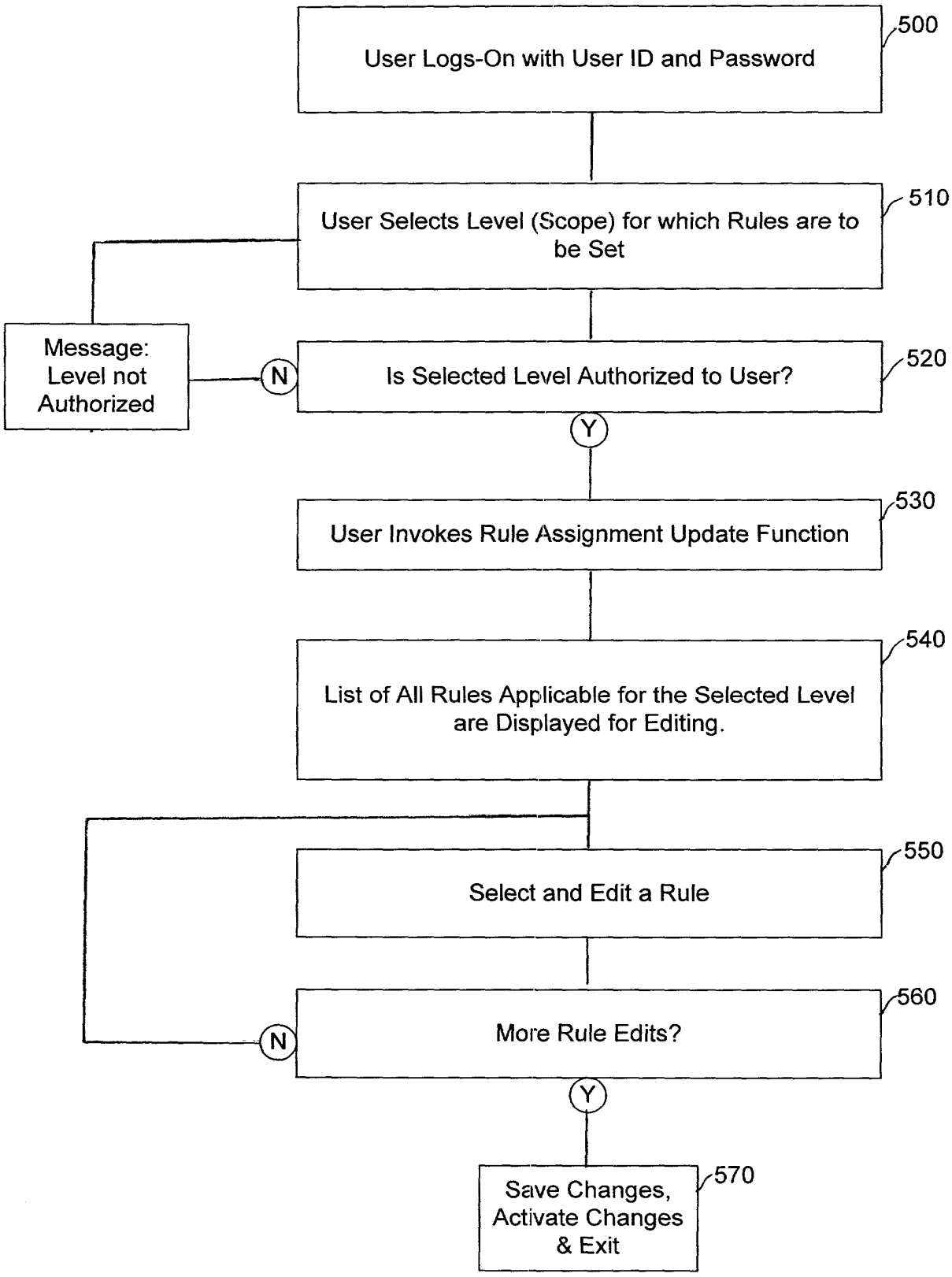
User Logs-On with User ID and Password
500
User Selects Level (Scope) for which Rules are to be Set
510
Message: Level not Authorized
N
Is Selected Level Authorized to User?
520
Y
User Invokes Rule Assignment Update Function
530
List of All Rules Applicable for the Selected Level are Displayed for Editing.
540
Select and Edit a Rule
550
More Rule Edits?
560
N
Y
Save Changes, Activate Changes & Exit
570

Figure 5

Rules Assignment Definition Screen

```
12345678901234567890123456789012345678901234567890123456789012345678901234567890
G8B6                RULES ASSIGNMENT DEFINITION                  01/29/99  10:21
 FUNCTION: RAMM  CORR: 40V   ACCOUNT: ___ _____ DATA: _________  NEXT: ____
 MORE PAGES AVAILABLE
   RR: ____                                                      PAGE  1 OF  2
        INHERITED OUT   RULE                                     PARM GROUP
   ACT     RULE   COME  CODE  RULE DESCRIPTION                   IND  ID
   ----- -------- ----  ----- ------------------------------------ --- -----
   P       P       S    1011  ACCOUNT CLOSE CHECK
   P       P       S    1012  ACCOUNT TRANSFER CHECK
   P       P       S    1013  ACCOUNT PENDING CLOSE
   P       P       A    1014  OPTION EXPIRATION
   P       P       A    1017  ADOPION AGREEMENT
   P       P       S    1018  MARGIN ORDER IN RETIREM
   P       P       S    1019  SHORT SALE IN RETIREMEN
   P       P       A    1052  OPTION PAPARS OF FILE
   Y             A    1080  EQUITY SELL
   Y             A    1081  EQUITY BUY TO COVER RUL
   Y             A    1082  SELL TO CLOSE RULE
   Y             A    1083  SELL TO OPEN RULE
   Y             A    1084  BUY TO CLOSE RULE
                 A    1085  EQUITY SHORT SALE
   P       P     A    1101  MARGIN PAPERS

1=HELP 3=PREV 4=SAVE 5=CANCEL 7=BACK 8=NEXT 9=RULE CODE 10=RULE PARM 12=MENU
```

Figure 6

Rules Code Definition Screen

```
12345678901234567890123456789012345678901234567890123456789012345678901234567890
 G8E6                          RULE CODE DEFINITION                  02/22/99 10:08
FUNCTION: RCOD  CORR: ____   ACCOUNT: ___ ______ DATA: __________   NEXT: ____
RULE CODE DISPLAYED


RULE CODE           : 1141   (NUMERIC)
CATEGORY CODE       :        (SY/P/PS OR SPACE)
OUTCOME             : A      (W/S/A/D)
FARM INDICATOR      : Y      (Y/N)
GROUP ID            : ____   (NUMERIC)
RULE DESCRIPTION    : TRADING LIMIT RULE BY DOLLAR AMOUNT

RULE MESSAGE        : TRADING LIMIT EXCEEDED









PF: 1=HELP  3=PREVIOUS  4=UPDATE  5=CANCEL  7=BACK  8=FORWARD  12=MENU
```

Figure 7

```
1234567890123456789012345678901234567890123456789012345678901234567890123456789012345678901234567890
 G8E6                          RULE PARAMETER                  02/22/99  10:11  PAGE: 01
FUNC: ____  CORR: ____ ACCT: ___ _____ RR: ____ DATA: _________


RULE CODE: 1141   TRADING LIMIT RULE BY DOLLAR AMOUNT


                EQUITY          MUTUAL-FUNDS     OPTION          FIXED-INCOME
                --------------- ---------------- --------------- ---------------
PRCPL AMT - CUS          10000           50000          10000           100000
PRCPL AMT - BKR         100000          100000          50000           250000









PF: 1=HELP  3=PREVIOUS  4=UPDATE  5=CANCEL  7=LEFT  8=RIGHT
```

Figure 8

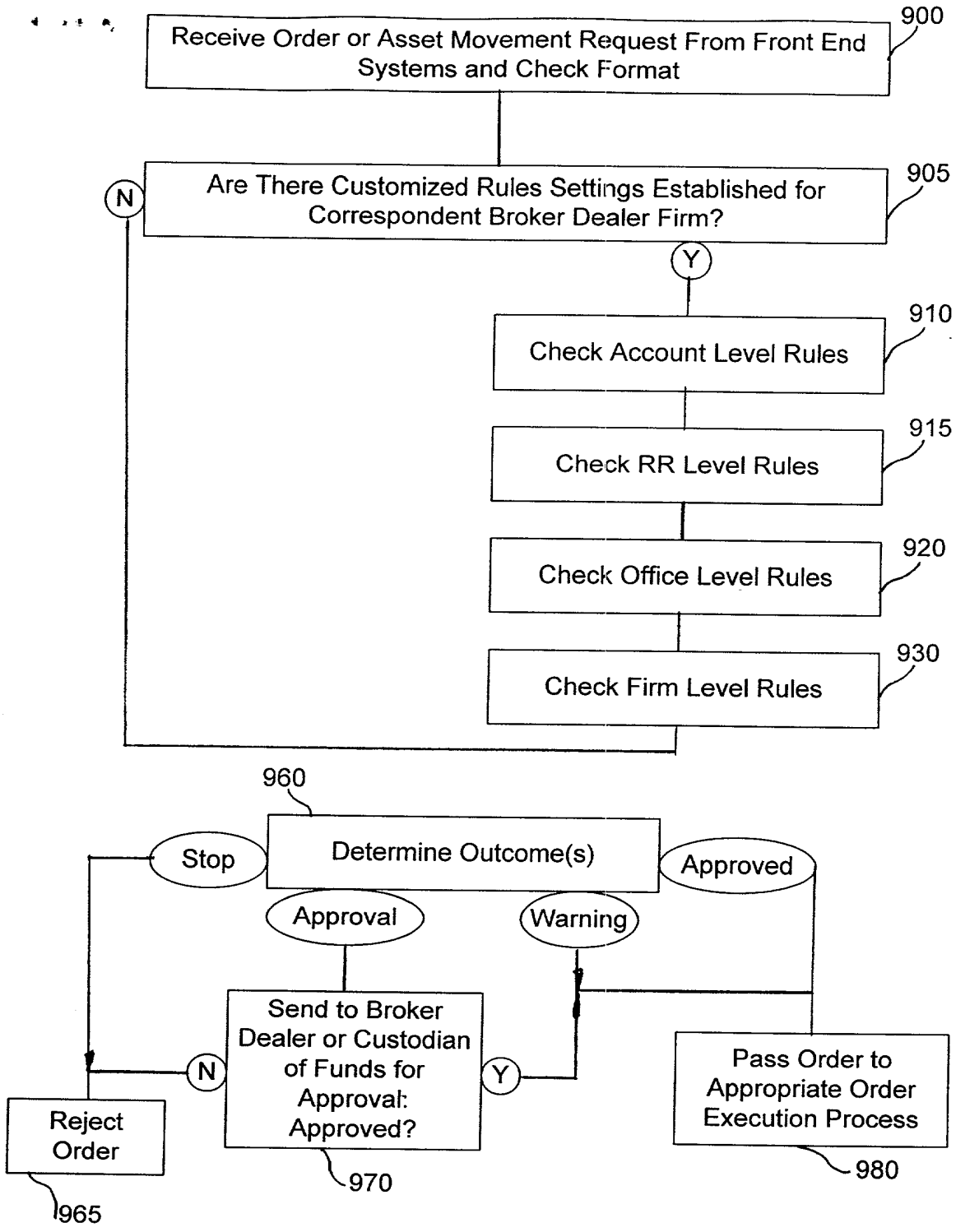
Receive Order or Asset Movement Request From Front End Systems and Check Format
900
Are There Customized Rules Settings Established for Correspondent Broker Dealer Firm?
905
N
Y
Check Account Level Rules
910
Check RR Level Rules
915
Check Office Level Rules
920
Check Firm Level Rules
930
960
Determine Outcome(s)
Stop
Approved
Approval
Warning
Send to Broker Dealer or Custodian of Funds for Approval: Approved?
N
Y
Reject Order
965
970
Pass Order to Appropriate Order Execution Process
980

Figure 9